

ELIGIBLE AND INELIGIBLE COSTS
for
RECYCLING GRANTS TO RESPONSIBLE UNITS

Two key definitions:

Allocable: A cost is allocable if it is incurred specifically for the program, or incurred for several activities but can be distributed between them in reasonable proportion to benefits received, and is clearly necessary to the program.

Incurred: A cost is incurred when the responsible unit receives the goods or service.

ELIGIBLE COSTS	INELIGIBLE COSTS
GENERAL: Allocable costs incurred for planning, constructing or operating the components of a recycling program that are required in order to have an “effective recycling program” as set forth in NR 544, and expenses incurred for managing residential yard waste.	GENERAL: Costs of recycling program elements, other than yard waste, that are not required by NR 544; costs that are incurred prior to January 1 or December 31 of the grant year.
1. Recycling program planning, including consultant fees	1. Planning for “spring clean up”, collection of hazardous household waste (“clean sweep”)
2. <u>Information and education</u> for recycling, waste reduction, reuse and yard waste management, including those; i.e. costs associated with the 1991 bans and with recycling at multi-family dwellings, businesses and institutions	2. Information and education for “spring clean up” or “clean sweep”
3. Development and enforcement of a recycling ordinance, including consultant and/or attorney fees	3. Portion of cost of development and enforcement of municipal solid waste ordinance not connected to the recycling components of the ordinance
4. Collecting, processing, transporting and marketing the following: recyclables banned from landfills in 1995 at or for single family and 2-4 unit residences; residential yard waste, including the planning, construction and operation of compost sites	4. Collecting, processing, transporting or marketing the following: ‘91-banned items (appliances, waste oil, lead acid batteries); scrap metal; “spring clean up” trash, other than yard waste and ‘95-banned items; recyclable or other materials from buildings containing 5 or more dwelling units and/or from non-residential properties, unless this cost is inseparable and/or immaterial; roadside brushing and other maintenance; parks and public space maintenance; municipal solid waste not separated for recycling (“garbage”)

ELIGIBLE COSTS	INELIGIBLE COSTS
<p>5. Equipment:</p> <p>Capital Equipment (equipment costing \$1000 or more and with an expected life of 3 years or more): Eligible on an amortized (depreciated) basis or on an hourly use rate basis</p> <p>Non-capital Equipment (equipment costing less than \$1000): May either be depreciated, funded on an hourly use rate or funded at full allocable cost</p> <p>Rent or lease payments negotiated “at arm’s length” on equipment; however, payment under rent- or lease-to-own agreements on capital equipment must be treated as purchases and are therefore eligible only on an amortized (depreciated) basis</p>	<p>5. Depreciation on equipment purchased fully with grant money in previous years</p> <p>Equipment costs not allocable to eligible recycling or yard waste management activities</p> <p>Interest or finance charges</p> <p>Loan payments (debt service)</p> <p>Rents and leases that are not “at arm’s length” (cost for these are limited to actual costs of the owner)</p>
<p>6. Supplies: Necessary materials and supplies, such as office supplies, recycling bags, household recycling bins, gasoline and oil (but only if hourly use rates are not claimed)</p>	<p>6. The cost of plastic containers for the collection of recyclable materials when the recycled content of the plastic containers is not at least 25% by weight</p> <p>Garbage bags</p>
<p>7. Program Documentation:</p> <p>Documenting recycling program collection results</p> <p>Documenting how solid waste which is generated in the grantee’s region and is not separated or recovered for recycling will be managed</p>	<p>7. The cost of <u>managing</u> municipal solid waste other than the '95 banned items and yard waste</p>

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<p>8. Staff: salaries, fringe benefits, training and per diem for personnel who work directly on the recycling and/or residential yard waste program and maintain time records to demonstrate recycling and/or residential yard waste work effort</p>	<p>8. Personnel costs for which adequate records do not exist</p> <p>Personnel costs for garbage handling, spring cleanup, roadside mowing, brushing, tree trimming and/or chipping, maintenance of parks and/or other public grounds</p> <p>Ordinary operating expenses of local government, such as salaries and expenses of elected officials or others not directly related to the recycling program</p>
<p>9. Facilities:</p> <p>The cost of land, including site acquisition at fair market value and site preparation costs</p> <p>Construction costs including capitalized interest, professional services of an attorney, and engineering services for design, construction and construction inspection, all on an amortized (depreciated) basis over the useful life of the facility</p> <p>Utility services</p> <p>Repairs and maintenance: On an amortized basis for capital repairs; full cost of other repairs and maintenance allocable to recycling</p> <p>Rent and lease payments negotiated at “arm’s length”. However, payments under rent- or lease-to-own agreements on facilities must be treated as purchases and are eligible only on an amortized (depreciated) basis</p>	<p>9. Land purchase or construction that as not received appraisal and/or site approval from the department</p> <p>Interest (other than capitalized interest) or finance charges</p> <p>Loan payments (debt service)</p> <p>Rents and leases that are not at “arm’s length” (costs for these are limited to actual costs of the owner)</p>
<p>10. “Arm’s length” contracts entered into by responsible units to obtain services necessary to perform any of the grant-eligible activities listed above</p>	<p>10. Contracts which create a real or apparent conflict of interest, that is, are not at “arm’s length”</p> <p>For any contract, the portion of the cost that is not allocable to recycling</p>

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11. Indirect costs, a/k/a “overhead” and “cost allocations”, if accumulated in a separate set of accounts and equitably and systematically allocated to all the grantee’s projects and activities	11. Indirect costs that don’t meet the stated eligibility requirement, but are guesstimated by the grant applicant
12. (No eligible counterpart)	12. Fines or penalties due to violation of or failure to comply with, federal, state or local laws, regulations, rules or ordinances
13. (No eligible counterpart)	13. Costs which are the basis for payment under another federal or state financial assistance program, e.g., a Recycling Demonstration Grant or Tire Grant
14. (No eligible counterpart)	14. Contributions to civic groups and schools, payments to subsidize haulers, and other voluntary payments for which the responsible unit does not receive a specific service in return for payment of a specified amount of money

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